GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2065
ANSWERED ON:05.08.2005
SALE OF EQUITY OF JESSOP AND COMPANY
Chakraborty Shri Ajay;Das Gupta Shri Gurudas

Will the Minister of FINANCE be pleased to state:

(a) whether Government is considering to sell the remaining Government equity in Jessop and Company to its strategic partner Ruias;

(b) if so, the details thereof;

(c) whether workers of Jessop & Company have gone to the Supreme Court questioning the disinvestment process of the company; and

(d) if so, the reaction of the Union Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (S.S. PALANIMANICKAM)

(a)&(b) As per the Share Purchase Agreement / Shareholders Agreement between Bharat Bhari Udyog Nigam Limited (BBUNL), Indo-Wagon Engineering Limited (the strategic partner) and Jessop & Company Ltd. (JCL), BBUNL has a `put option` to sell its remaining shareholding in JCL to the strategic partner. This `put option` is valid between 29.08.04 and 28.08.06.

As per information made available by the Department of Heavy Industry, a final decision has not been taken regarding sale of BBUNL`s remaining equity in JCL.

(c) Yes, Sir.

(d) Reply affidavit has been filed by the Union Government.